

**Notice No.:** 03-005

**Date:** December 10, 2003

**Applies to:** TRS Employers

**Subject:** TRS Plan 3 Contribution Rate  
Flexibility

## Summary

Teachers' Retirement System (TRS) Plan 3 members will have an opportunity during the month of January 2004 to change their contribution rate option. House Bill (HB) 1206 of the 2003 legislative session and provisions granted to TRS Plan 3 by the Internal Revenue Service (IRS) provide for this opportunity.

HB 1206 also provides rate flexibility for Plan 3 members in the Public Employees' Retirement System (PERS) and the School Employees' Retirement System (SERS). Implementing this option for PERS and SERS Plan 3 is contingent on receiving approval from the IRS, which DRS has yet to receive. If the IRS approves the request, the first opportunity for PERS and SERS Plan 3 members to change their contribution rate option will be in January 2005.

## Member Communications

A *TRS Plan 3 Special Report* will be mailed directly to all TRS Plan 3 active members (i.e., those for whom an end date has not been reported). The *Special Report* includes the new TRS Plan 3 Contribution Rate Change Form, with instructions to return the form to the member's employer during the month of January if the member wants to change his or her contribution rate selection. Members will begin receiving this information in the mail on or about December 15. The [\*Special Report and the new form\*](#) are included with this notice.

The *TRS Plan 3 Special Report* advises members that they may obtain another copy of the form via the Internet. Members are directed to contact their employers if necessary to verify their current contribution rate option, or to obtain a copy of the form. Please photocopy the attached form or print the page from the Internet as necessary. DRS will not distribute additional copies of this form to employers.

Additional information about the rate change flexibility will be published on the DRS Web site. Links will provide access to the *TRS Plan 3 Special Report* and the Contribution Rate Change Form. The Web site will also provide information describing why the option is not being extended in 2004 to include PERS and SERS.

The quarterly *Plan 3 Reports* that accompany members' account statements will also include appropriate information for each plan concerning the 2004 rate change window. These reports will be distributed to members in mid-January with the self-directed account statements, and in mid-February with the WSIB account statements.

### **Member Contribution Rate Change Requirements**

- TRS Plan 3 members are not required to change their contribution rate selection. A form should be completed for only those members who choose to change their rate selection.
- In order to change their contribution rate selection, the member must be employed in January 2004.
- The member must submit the form to the employer no later than January, 2004. Employers should also recognize that January 31 falls on a Saturday. If you do not keep office hours on Saturdays, you should request that employees deliver the Contribution Rate Change Form to you by Friday, January 30, 2004.
- If you receive a Contribution Rate Change Form from a SERS Plan 3 or PERS Plan 3 member, it should be returned to the member. The IRS has not yet granted permission to extend the contribution rate change window to SERS or PERS.

### **How to Process TRS Plan 3 Contribution Rate Change Forms**

After determining that the form was submitted in accordance with the requirements stated above, the employer should complete section 3, enter the member's new contribution rate into the employer payroll system, and mail the original signed form to DRS.

The employer includes the new rate option information on the next transmittal report based on the employer's payroll cutoff schedule.

### **Questions?**

If you have any questions regarding this DRS Notice, please contact Employer Support Services at (360) 664-7200 or 1-800-547-6657, or e-mail us at [DRSEmployer@DRS.wa.gov](mailto:DRSEmployer@DRS.wa.gov). This Notice can also be accessed on the DRS Web site at: [www.drs.wa.gov/employer/index.htm](http://www.drs.wa.gov/employer/index.htm).

Dave Nelsen  
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## 2003 DRS Notices

For a copy of a Notice, call (360) 664-7169 or 1-800-547-6657, or access on the DRS Web site at <http://www.drs.wa.gov/employer>.

<b>Notice No.</b>	<b>Applies to/ Subject Matter</b>
03-001	<b>All Employers</b> Contribution Rate Changes
03-002	<b>SERS Employers</b> Rate Update
03-003	<b>All Employers</b> Summary of 2003 Legislation
03-004	<b>All Employers</b> SHB 1829 – Plan 1 Retirees
03-005	<b>TRS Employers</b> January 2004 TRS Plan 3 Contribution Rate Flexibility